



State of Utah

Department of
Natural Resources

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Division of
Oil, Gas & Mining

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June 23, 2004

CERTIFIED RETURN RECEIPT
7099 3400 0016 8896 0808

Bob Steele
1055 North 400 East
Nephi, Utah 84648

Subject: Third Review of Notice of Intention to Commence Large Mining Operations, Bob Steele, HiCal Mine, M/023/071, Juab County, Utah

Dear Mr. Steele:

The Division has completed our review of your April 15, 2004 response to our November 4, 2003, review of your Notice of Intention to Commence Large Mining Operations for the HiCal mine, located in Juab County, Utah. After reviewing the supplemental information, the Division has only a couple more comments that will need to be addressed before tentative approval may be granted.

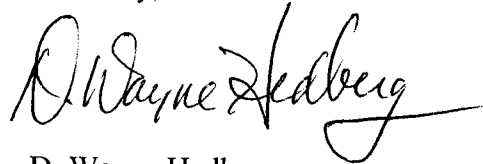
The comments are listed below under the applicable Minerals Rule heading. Please format your response in a similar fashion. **Please address only those items requested in the attached technical review.** You may send replacement pages of the original mining notice using redline and strikeout text, so we can see what changes have been made. Please provide only one copy for our review; however, it is your responsibility to assure that the BLM has a copy of your plan for their review. You will also need BLM approval before you recommence your mining operations. **After the notice has been determined technically complete and ready for tentative approval, we will ask that you send us two copies of the complete and finalized mine plan (permit application).**

We will then publish notice of our tentative approval decision in the Salt Lake and local area newspapers opening a 30-day public comment period. If no adverse comments are received, we will then be prepared to issue our final approval of the permit application. Upon final approval, we will return one copy of your finalized plan stamped "approved" for your records. **The final reclamation surety amount must also be received by the end of the public comment period.** Please provide a response to this review within 30 days or by July 23, 2004.

Bob Steele
Page 2 of 2
M/023/071
June 23, 2004

We will suspend further review of the HiCal mine Notice of Intention until your response to this letter is received. If you have any questions in this regard please contact me, Tom Munson, Paul Baker or Doug Jensen of the Minerals Staff. If you wish to arrange a meeting to sit down and discuss this review, please contact us at your earliest convenience. Thank you for your cooperation in completing this permitting action.

Sincerely,

A handwritten signature in black ink, reading "D. Wayne Hedberg". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

DWH:TM:jb
Attachment: Third Review, Blank
cc: Rex Rowley, BLM, Fillmore FO
O:\M023-Juab\M0230071-HiCal\final\rev3-06232004.doc

THIRD REVIEW OF NOTICE OF INTENTION TO COMMENCE LARGE MINING OPERATIONS

Bob Steele
Hi-Cal Mine
M/023/071
June 14, 2004

R647-4-106 - Operation Plan

106.6 Plan for protecting & redepositing soils

There are some soils on the east side of the mine that have been covered with volcanic clay overburden. The plan needs to discuss how these soils will be recovered for use in reclamation. (PBB)

On the south end of the pit, there is a 3400-cubic-yard topsoil stockpile, and there is also a four-foot-high topsoil berm. The plan is to advance the pit in this direction, so in order to not waste this soil, it will need to either be used in reclamation or moved. Please show how this soil will be protected from contamination or from being otherwise wasted. (PBB)

One of the maps included with the plan indicates the pit floor is covered with two feet of crushed travertine and one foot of topsoil. This indicates only part of the available soil was salvaged from this area. Please include the following commitments in the plan: 1) Upon reclamation, the crushed travertine will be removed from the pit floor. 2) After the travertine is removed, topsoil from the stockpiles will be spread over this area. 3) After topsoil is spread, the pit floor will be ripped at least two feet deep with ripper shanks spaced no more than three feet apart. (PBB)

R647-4-110 - Reclamation Plan

110.5 Revegetation planting program

The plan includes a seed mix, but there are a few changes and clarifications needed. First, the plan should specify that the amount of seed is expressed in pounds of pure live seed (PLS) per acre. Second, the BLM recommended adding a Ladak alfalfa, yellow sweet clover, and blue flax, each at the rate of 0.5 pounds PLS per acre. (PBB)

R647-4-113 – Surety

The surety calculation submitted is not sufficient. Please submit data to indicate the activities necessary to reclaim the site and detailed costs for each activity. A blank surety estimate form is attached for this purpose. (DJ)

RECLAMATION SURETY ESTIMATE					
mine operator			last revision		
mine name	filename M000-000.xls				
DOGM file Number	County				
Prepared by Utah State Division of Oil, Gas & Mining					
Note: actual unit costs may vary according to site conditions					
				last unit cost update	10/07/02
-Amount of disturbed area which will receive reclamation treatments =					acres
-Estimated total disturbed area for this mine =					acres
Activity	Quantity	Units	\$/unit	\$	Note
Safety gates, signs, etc (mtls & installation)	0	Sum	200	0	(1)
Demolition of buildings & facilities	0	cf	0.26	0	(2)
Debris & equipment removal - trucking	0	trips	55.00	0	(3)
Debris & equipment removal - dump fees	0	ton	60	0	(4)
Debris & equipment removal - loading trucks w/FEL	0	hours	180	0	(5)
Demolition & debris removal - general labor	0	hours	15	0	(6)
Regrading facilities areas (2ft depth)	0	acres	613	0	(7)
Regrading waste dump slopes	0	CY	0.60	0	(8)
Ripping waste dump tops	0	acre	246	0	(9)
Ripping stockpile & compacted areas	0	acre	246	0	(9)
Ripping pit floors	0	acre	246	0	(9)
Ripping pit access roads (2ft depth)	0	acre	613	0	(9)
Creating safety berms or barriers around highwalls	0	LF	0.20	0	(10)
Ripping access roads- dozer	0	acre	246	0	(9)
Regrading access roads - dozer	0	acre	246	0	(9)
Sidecast mtl replacement of steep slopes - trackhoe	0	LF	1.16	0	(11)
Surface drainage restoration or construction	0	LF		0	(10)
Topsoil replacement - dozer	0	CY	0.50	0	(12)
Topsoil replacement - scraper	0	CY	1.19	0	(13)
Topsoil replacement- truck and FE loader	0	CY	2.60	0	(14)
Mulching (2 ton/acre alfalfa/straw)	0	acre	350	0	(00)
Fertilizing (100 lb/acre diammonium phosphate)	0	acre	90	0	(00)
Composted manure (10 ton/acre)	0	acre	300	0	(00)
Broadcast seeding	0	acre	240	0	(00)
Drill Seeding	0	acre	205	0	
Hydroseeding	0	acre	800	0	
General site cleanup & trash removal	0	acre	50	0	(00)
Equipment mobilization	0	equip	2000	0	(00)
Reclamation supervision -10% of reclamation estimate					(15)
10% Contingency	Subtotal			0	
	Subtotal			0	
Escalate for 5 years at 2.59% per year	Subtotal			0	
	Total			0	
Rounded surety amount in year 2009 \$				0	
Average cost per disturber acre =				#DIV/0!	